

# Albany Job Investment Fund

## Policy and Criteria for Program

### Awarding of Incentive Funds

Applicants with Projects that seek to utilize funding from Albany’s Job Investment Fund must meet the following criteria which have been approved by the Albany City Commission, the Albany-Dougherty Economic Development Commission (EDC), and the Long Term Financial Planning Committee (LTFPC):

- (1) Applicants must be a for-profit business which has been recommended for funding by the (EDC).
- (2) The EDC must deem the Applicant financially viable and capable of executing their business plan as demonstrated through a review of their business and financial plan for the project. A business that cannot demonstrate a good credit history and sound financial statements will be deemed ineligible.
- (3) The EDC must deem that the proposed investment to be made into each Project will yield a substantial positive economic return to the community as determined by an Economic Impact Analysis conducted at the direction of the EDC.
- (4) Eligible projects must create a minimum of 100 new jobs or include a new capital investment of a minimum of \$10 million within the first three years of operation and maintain employment threshold for a minimum of five years.
- (5) Project funding will be recommended by the EDC based upon a point system that scores a project in three areas: the number of new jobs created, the new capital investment, and the new employee average weekly wage. Projects may garner a maximum of 30 total points awarded utilizing this formula. Each point equates to \$200,000 in grant funding. See chart below for point scale.

Point Level	Number of new jobs created	New capital investment	New employee average weekly wage
1	100-199	\$10,000,000	110%
2	200-299	\$20,000,000	120%
3	300-399	\$30,000,000	130%
4	400-499	\$40,000,000	140%
5	500-599	\$50,000,000	150%
6	600-699	\$60,000,000	160%
7	700-799	\$70,000,000	170%
8	800-899	\$80,000,000	180%
9	900-999	\$90,000,000	190%
10	1000+	\$100,000,000	200%

#### Stipulations of point qualifications

- (a) Number of new jobs created must equate to full time equivalent employees
  - (b) New capital investment includes both real and personal taxable property
  - (c) New employee average weekly wage shall be based on the yearly average wage for all industries in Dougherty County, Georgia from the Georgia Department of Labor's Area Labor Profile. Points are awarded when the business exceeds 100% of the average wage.
- (6) Although no more than 30 points can be awarded utilizing the this formula, the EDC may recommend additional award amounts for approval by the City Commission based upon the following factors: competition with other states and communities; pledges to employ higher percentages of Dougherty County residents; utilizing local vendors for design, engineering, and construction services; being a "targeted industry" as designated by the EDC; and projects with exceptional economic impact to the local economy.

#### **Guidelines and Procedures for receiving awards**

- (1) Grant award limits will be set at no more than \$6,000,000 (30 points at \$200,000 per point), unless exceptions are recommended and approved by the EDC and City Commission.
- (2) Once the EDC has recommended that a grant award be made to an Applicant for a Project, the EDC will present their recommendation to the LTFPC who will then make its own recommendation regarding the grant award to the Albany City Commission for its final approval. In determining whether to recommend or approve any particular grant request, the EDC, the LTFPC and the Albany City Commission agree to apply the criteria, policies and procedures outlined herein in a fair and reasonable manner, without bias or prejudice, with the ultimate goal of promoting meaningful job creation and capital investment in the community.
- (3) The EDC, the Albany-Dougherty Payroll Development Authority, (PDA) the LTFPC, and the Albany City Commission understand that most applicants will request that their identity and the nature of their business be kept confidential during the grant process to protect their business interests, and each entity agrees to honor such requests. Towards that end, only the EDC and the PDA may know an Applicant's true identity and the exact nature of their business unless and until the Applicant becomes a grant Recipient. Thus, during the grant process, the EDC and the PDA may utilize other names or numbers to identify Applicants in communicating with the LTFPC and the Albany City Commission.
- (4) Once approved for funding by the Albany City Commission, grant funds will be distributed to the PDA, who will then administer the grant via contract with the Recipient with appropriate terms and conditions to ensure compliance with performance standards and that funds are utilized for their intended purposes.

#### **Eligible uses of the grant awards for Recipients**

- (1) The intended use of these funds shall be to incentivize Projects to create jobs by helping to lower the start-up costs the Recipient may incur in their expansion or relocation Projects.

Eligible uses of the funds may include land or building acquisition, infrastructure improvements, site improvements, construction costs, equipment purchases and installation, and engineering and architectural fees associated with the project.

- (2) The Recipient may receive reimbursement or payment from the Albany-Dougherty Payroll Development Authority upon receipt of proper documentation and verification of approved expenses.

### **Performance and Accountability for Recipients**

- (1) Performance Standards. In consideration for funding, the Recipient shall meet the following Performance Standards: the Recipient shall meet the contractually agreed upon levels of new employment, new capital investment, and average wages of new employees. The Recipient shall be in full compliance with the Performance Standards within **thirty-six (36)** months of the date of the issuance of the Certificate of Occupancy (the "Performance Period"), and failure to do so shall be an immediate event of default. In the event the Performance Standards are met prior to the expiration of the Performance Period, then the Recipient must maintain such jobs and investment until the expiration of the Performance Period and failure to do so shall be an immediate event of default. The Recipient shall maintain documentation to evidence the number of full-time permanent jobs created and maintained, the average wages of those jobs, and the amount of private investment in the Project until such time as the Performance Standards have been met and the Payroll Development Authority has certified compliance.
- (2) Compliance Threshold and Repayment Amount. In the event the Recipient fails to i) meet the Performance Standards, or ii) maintain operations for the entirety of the Performance Period, or iii) locate in or operate the business forming a part of the Project funded with the Award, the Recipient shall repay directly to the Payroll Development Authority all or a portion of the Award Amount.. For purposes of events of default of the performance standards, the Repayment Amount shall be determined as follows:
  - A. Compliance Threshold. The Recipient will be determined to have complied with the Performance Standards if the results of the threshold calculation conducted in accordance with the formula on **Exhibit "A"** ("Average Actual Performance") are equal to or greater than eighty percent (80%) ("Compliance Threshold"). The threshold calculation formula is the average of the percentage of created and maintained jobs to committed jobs over the Performance Period and the percentage of actual capital investment to committed investment as of the expiration of the Performance Period. In the event of an expansion project, the number of full-time permanent jobs committed to be maintained by the Recipient shall be subtracted from the total number of full-time permanent jobs in place at the time of the expiration of the Performance Period in calculating new jobs for the Compliance Threshold.
  - B. Adjusted Award Amount. Should the Recipient's Average Actual Performance be less than eighty percent (80%) of the Performance Standards, the Recipient's Award will be adjusted proportionately by multiplying the Award Amount by the Average Actual Performance. The resulting number will then be subtracted from the Award Amount to determine what amount the Award will be adjusted to, after taking into account under performance

("Adjusted Award Amount"). The Recipient shall repay to the Payroll Development Authority the difference between the Award Amount and the Adjusted Award Amount. The Payroll Development shall then immediately repay such amount to Albany's Job Investment Fund. See illustrations in **Exhibit "B"**: Repayment Calculation. The Award Amount will only be adjusted in the event Recipient does not meet the Compliance Threshold.

(3) Adjustment in the Performance Standards. In the event a force majeure or other extraordinary circumstance, as will be determined in the sole discretion of Payroll Development Authority, prevents the Recipient from meeting the Compliance Threshold, the Recipient may request that the Payroll Development Authority adjust the Recipient's Compliance Threshold. In the sole discretion of the Payroll Development Authority, the Compliance Threshold may be adjusted provided that the adjustment will have a direct relationship to the impact that the extraordinary circumstance had on the Recipient's ability to meet the Performance Standards

(4) Sale or Change of Ownership of Recipient. If, during the Performance Period, the Recipient makes a change in its ownership by sale, merger, or other method of ownership transfer, then the Recipient must notify the Payroll Development Authority of such a change in ownership. Additionally, the new owner ("the Acquiring Company") must assume the obligations contained in this Agreement by executing an Assumption Agreement. The Payroll Development Authority shall approve and be a party to the Assumption Agreement, along with the Recipient and the Acquiring Company. In lieu of executing an Assumption Agreement, the Recipient or Acquiring Company may elect to make the Repayment Amount to the Payroll Development Authority.

### **Replenishment of Albany Job Investment Fund**

Realizing that every economic prospect and project is very different, whenever possible the Albany-Dougherty Payroll Development Authority and the City Commission shall seek ways to replenish the Job Investment Fund through the use of Payments in Lieu of Taxes agreements (PILOT Agreements) or interlocal agreements between local taxing authorities. In some cases, a portion of the PILOT (if such an agreement is part of the overall incentive agreement) or increases in ad valorem taxes resulting from the project can be directed toward the Job Investment Fund for purposes of replenishing the fund. Such action may not always be possible and will be determined on a case by case basis by the Payroll Development Authority and City Commission.

## EXHIBIT "A" - Average Actual Performance

The Average Actual Performance shall be determined by the following formula:

### **STEP 1**

$$\begin{array}{r} \text{Percentage of Committed Jobs Created} \\ \text{Percentage of Average Wage Met} \\ + \quad \text{Percentage of Committed New Investment} \\ \hline = \quad \text{Total Percentage of Commitments Met} \end{array}$$

### **STEP 2**

$$\frac{\text{Total Percentage of Commitments Met}}{3} = \text{Average Actual Performance}$$

**EXHIBIT "B" - Repayment Amount Calculation**

(Required only if Average Actual Performance is less than 80%)

**STEP 1**

$$\begin{array}{r} \text{Award Amount} \\ \times \text{ Average Actual Performance} \\ \hline = \text{ Adjusted Award Amount} \end{array}$$

**STEP 2**

$$\begin{array}{r} \text{Award Amount} \\ - \text{ Adjusted Award Amount} \\ \hline = \text{ Repayment Amount} \end{array}$$